

**Contra Costa County
Healthcare Task Force
Meeting Minutes 11/19/2008**

1. Task Force Healthcare Concerns/Board of Supervisors Goals and Objectives

Grid – (Group Review and Discussion between Task Force (TF), Benefits Department (CCC) and meeting Facilitator (F)):

Option 1 – maintains the current benefit plan design but limits County contributions to the 2009 dollar levels and implements an annual credit to those who waive medical.

The following numbered items list out the Task Force concerns in order of importance to the group. The Task Force Group Response indicates whether or not the Task Force feels Option #1 addresses these concerns.

Task Force Healthcare Concerns – Option 1

1. Years of Service – keeping the implied promise
 - TF Group Response: No
2. Close to retirement – keeping the implied promise
 - TF Group Response: No
3. Cafeteria Plan
 - TF Group Response: No
4. Current Retirees – keeping the implied promise
 - TF Group Response: No
5. The impact of any changes on the County healthcare provided to indigent populations
 - TF: Unknown, this may be a positive or negative.
 - TF: We've been told we are causing a problem and we're not.
 - CCC: Does it negatively impact the County to provide healthcare to indigent populations?
 - TF: How can there be any impact with this option since there are no changes?
 - TF: Does it divert money from indigent healthcare?
 - TF: If we don't make changes going forward, employees can't afford their healthcare and they will end up at CCRMC to get their care or fall under the uninsured category. There would be some impact on indigent care, but it is unknown by how much.
 - TF: The Board of Supervisors has accused us of taking away funds from indigent services.
 - TF: The County's current fiscal status will already affect the care to the needy. The need to report the OPEB liability decreases the County's budget and could lead to lay offs.

- CCC: The Board's Original Goals and Objectives of the Task Force are listed at the bottom of the grid. The fifth goal also lists "Continues to allow for County services to residents". Should the Task Force omit this from their concerns?
- TF Group Response: This option will be marked as TBD.

6. Portability

- TF: Yes, with the Health Net PPO.
- TF: The PPO isn't available to all people because it is unaffordable.
- TF Group Response: Access to portability – Yes; Affordable portability (which was the original intent of this concern) – No

7. Review Dental and Vision Coverage

- TF Group Response: Have not reviewed this as a group yet.

8. In and out privileges during retirement

- TF Group Response: Have not reviewed this as a group yet.

9. Survivor Coverage

- TF Group Response: Affordability – No; Access – Yes
- CCC: Currently, surviving spouses do have access to healthcare but it is not subsidized by the County.

10. Contribution equity between single vs. family (number of tiers vs. flat credit)

- TF Group Response: No, not today. Singles are helping to subsidize families.
- F: We can add a third tier to any plan, except to a HDHP which is regulated.

11. Comprehensive plans – no take aways and same full coverage as provided today

- TF Group Response: Yes – the same plans provided today are assumed in Option 1.

12. Affordability options – salary bands

- TF Group Response: No, currently this is not addressed by the County.
- TF: Some Union members have a higher salary than Management.

13. No medical lifetime maximum

- TF Group Response: Yes
- CCC: The PPO lifetime maximum was increased from \$1 million to \$2 million in 2009. The HMOs have unlimited lifetime maximums.
- F: It is too expensive to offer a PPO or HDHP plan with an unlimited lifetime maximum.

14. CCHP – the County has the highest degree of cost control for the County provided plan

- TF: This is the County's own plan and therefore can control it.
- CCC: There are still State regulations which it must comply with and there are limitations on what can be administered.
- TF Group Response: This is not a yes or no answer – NA.

15. Opt-out/waive credit

- TF Group Response: Yes

16. County subvention rates for CCHP plans inflate an employee's total compensation – the County incents employees to choose CCHP through plan design and subvention

- TF Group Response: Yes

17. Dual coverage elimination – keeping the implied promise

- CCC: The Board has postponed this provision in order to avoid negatively affecting those Represented employees married to Unrepresented employees.
- TF Group Response: Will remove this concern from the list.
- TF: Will recommend in the report given to the Board that the Task Force agrees with the removal of this provision from the Board Resolution.
- TF: Instead of eliminating, there should be a value placed on the dual coverage with a supplemental plan. The County can quantify the dual coverage amount and place an average dollar value on this type of coverage.
- CCC: The Task Force can recommend that the dependent who is receiving the dual coverage get the opt-out/waive credit in order to help pay the out-of-pocket expenses they will face once they are not dual covered. The Task Force can also recommend a higher waive credit than the assumed \$500.
- The County may not want to administer this type of plan, but it would be cost efficient. If the County contributes approximately \$15,000 per year for each employee's medical and there are 338 dual covered couples, that would more than pay for one full-time position to administer this plan.

18. Longer term employee cost projections for the future

- TF Group Response: No
- F: Anything calculated over 5 years into the future, has no value. There are legislative changes, County changes, etc. which would affect the projections.
- TF: OPEB is calculated 30 years out.
- F: OPEB is also re-evaluated and updated every 2 years.
- TF: The County can calculate an employee's liability at the same time OPEB is calculated.
- CCC: Significant changes are expected to occur in healthcare within the next 5 years so projecting out further than that is not realistic.
- TF: If things don't change, our healthcare will continue to increase and almost double in the next 11 years.
- CCC: Will projecting out to 2025 change our plan designs? We don't know what our salary will be that far in the future.
- TF: There needs to be a committee who continues to review our recommended changes.
- CCC: That can be included in the recommendation report.
- TF: It is reasonable to give an employee their future healthcare liability to help them plan for their future. It may shock them into saving more for their future. There is no downside to it.

- F: It would be helpful to know the dollar amount to save instead of just a percent of salary.
- CCC: The County's historical premium increases were distributed to the group back in August. This can be used to assume future increases.
- TF: Why can't the same OPEB assumptions be used for employee liability?
- CCC: The County's liability is frozen under OPEB and no inflation is accounted for. Employees absorb all of the costs to healthcare going forward.

19. Healthy lifestyle/wellness

- F: All of the County's carriers now offer a Health Risk Assessment questionnaire (HRA) but currently there is no incentive for an employee to complete it. The data cannot be combined or shared among the carriers.
- TF: Should this be reworded to read as "Does it provide incentive to be healthy"?
- TF: Kaiser offers wellness classes now.
- TF: There is no decrease in our healthcare premiums if we participate.
- TF Group Response: Not now, but wellness can be included in any plan.

20. Life stage plan options

- TF Group Response: No

21. Flexible coverage

- TF Group Response: No, all the plans are all similar.

22. Unlimited comprehensive coverage

- TF Group Response: Yes

The following numbered items list out the County Administrator's Original Goals and Objectives for the Task Force. The Task Force Group Response indicates whether or not the Task Force feels plan design option #1 address each goal/objective.

County Administrator's Goals and Objectives of the Task Force – Option 1

1. Contains cost increases to the County
 - TF Group Response: Yes
2. Contains cost increases to employees and retirees
 - TF Group Response: No
3. Provides multiple options to employees and retirees
 - TF Group Response: Yes
4. Competitive Designs
 - TF Group Response: No
5. Continues to allow for County services to residents
 - TF Group Response: Yes

6. Positively affects the OPEB liability
 - TF Group Response: Yes
7. Maximizes benefit choices and options
 - TF Group Response: No
8. Pursues healthcare portability
 - TF Group Response: No
9. Pursues healthcare savings mechanisms (HRAs, HSAs)
 - TF Group Response: No

Option 2 – maintains the current benefit plans offered but limits County contributions to the 2009 dollar levels. HMO benefits change and implements an annual credit to those who waive medical.

The following numbered items list out the Task Force concerns in order of importance to the group. The Task Force Group Response indicates whether or not the Task Force feels Option #2 addresses these concerns.

Task Force Healthcare Concerns – Option 2:

1. Years of Service – keeping the implied promise
 - TF Group Response: No
2. Close to retirement – keeping the implied promise
 - TF Group Response: No
3. Cafeteria Plan
 - TF Group Response: No
4. Current Retirees – keeping the implied promise
 - TF Group Response: No
5. The impact of any changes on the County healthcare provided to indigent populations
 - TF Group Response: This option will be marked as TBD.
6. Portability
 - TF Group Response: Access to portability – Yes; Affordable portability (which was the original intent of this concern) – No
7. Review Dental and Vision Coverage
 - TF Group Response: Have not reviewed this as a group yet.
8. In and out privileges during retirement
 - TF Group Response: Have not reviewed this as a group yet.

9. Survivor Coverage
 - TF Group Response: Affordability – No; Access – Yes
10. Contribution equity between single vs. family (number of tiers vs. flat credit)
 - TF Group Response: No
11. Comprehensive plans – no take aways and same full coverage as provided today
 - TF Group Response: Yes
12. Affordability options – salary bands
 - TF Group Response: Not enough data to make a decision.
13. No medical lifetime maximum
 - TF Group Response: Yes
14. CCHP – the County has the highest degree of cost control for the County provided plan
 - TF Group Response: This is not a yes or no answer – NA.
15. Opt-out/waive credit
 - TF Group Response: Yes
16. County subvention rates for CCHP plans inflate an employee's total compensation – the County incents employees to choose CCHP through plan design and subvention
 - TF Group Response: Yes
17. Dual coverage elimination – keeping the implied promise
 - TF Group Response: Removed from list.
18. Longer term employee cost projections for the future
 - TF Group Response: No
19. Healthy lifestyle/wellness
 - TF Group Response: No, there are no incentives offered.
20. Life stage plan options
 - TF Group Response: No
21. Flexible coverage
 - TF Group Response: No
22. Unlimited comprehensive coverage
 - TF Group Response: Yes

The following numbered items list out the County Administrator's Original Goals and Objectives for the Task Force. The Task Force Group Response indicates whether or not the Task Force feels plan design option #2 addresses each goal/objective.

County Administrator's Goals and Objectives of the Task Force – Option 2

1. Contains cost increases to the County

- TF Group Response: Yes

2. Contain cost increases to employees and retirees

- TF Group Response: No

3. Provides multiple options to employees and retirees

- TF Group Response: Yes

4. Competitive Designs

- TF Group Response: No
- TF: What the Board considers competitive is different than what the Task Force considers competitive.
- TF: The County competes more with local businesses than other counties for employees.
- CP: The Board has determined which public sectors the County compares itself to for compensation and benefits purposes. This benchmarking information was given to the group in August.
- F: It may be more efficient to narrow down to a plan design first and then complete this grid. Many of these options won't make the cut so it isn't worth it to complete the grid for all the options.

2. New Plan Design for 11/19/08 Meeting:

- Option 7 - The task force requested pricing and design on:
 - 3 Carriers – each offering 3 revised HMOs and 3 HDHPs
 - Both deductible options of a \$1,150 individual/\$2,300 family and \$2,000 individual/\$4,000 family were calculated
 - Presented with and without a flat credit
- Plan Results:
 - A lower deductible assumed in the HDHP results in higher premiums compared to the higher deductible plan.
 - The revised HMOs result in decreased premiums and lower employer and employee contributions.
 - This plan design doesn't work due to the number of HDHP plans offered. The carriers will not offer competitive pricing.
 - The cost differential of the revised HMOs and HDHP is too close and will deter enrollment into the HDHP.
- Group Discussion:
 - CCC: The HDHP works for actives and early retirees. The PPO component of the HDHP works for those out of the network area.
 - TF: Can offer the portability to only those over 65 and not pre-65.

- TF: If an employee goes in to the HDHP, under this option they would not save enough money to fund the HSA since the contributions are so high.
- F: Offering 3 HMOs and one HDHP would result in better pricing, it's portable and the HDHP enrollees are all in one plan. The HDHP can be communicated as a tax advantaged savings account.
- TF: Can I change plans if I get sick in the HDHP?
- F: Yes, during the annual open enrollment period.
- TF: If I leave to HDHP and enter a new plan, can I still use the HSA fund?
- F: We will check on any limitations with use of the fund once the employee is no longer enrolled in a HDHP.
- F: We can look at redistributing the money to lower the CCHP subvention.
- TF: The freeze already solves for the CCHP subvention.
- TF: Can we recommend that the freeze be equal across all the plans, instead of based on what plan you're enrolled.
- CCC: As of now, the freeze is based on the plan.

Next Meeting: Wednesday, December 3rd

Action Items:

CCC:

TBD

Buck:

1. Research any limitations with using an HSA account once the employee is no longer enrolled in a HDHP.
2. Plan Design – 3 HMOs and 1 HDHP, review subvention, and lay the Task Force's concerns on top of this plan.